



DEPARTMENT OF ECONOMIC SECURITY

Your Partner For A Stronger Arizona

Annual Report State Fiscal Year 2008

Janet Napolitano, Governor
Tracy L. Wareing, Director



DEPARTMENT OF ECONOMIC SECURITY

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The Honorable Janet Napolitano
Governor of Arizona
1700 West Washington
Phoenix, Arizona 85007

Dear Governor Napolitano:

The Arizona Department of Economic Security's Annual Report for the period July 1, 2007, through June 30, 2008, is enclosed. This report is submitted pursuant to A.R.S. § 41-1960, which requires the Department to make an annual report of Arizona's economic security needs and resources; the use, training, and placement of manpower; and recommendations for the forthcoming fiscal year for the state's development of relevant programs.

This report provides an overview of current trends in the human services environment, including the Department's experience with the economic downturn Arizona faced in fiscal year 2008 and continues to be impacted by. The report also highlights the Department's actions to enhance the safety and self-sufficiency of vulnerable individuals in our state. During state fiscal year 2008, the Department worked to implement improvements that help strengthen individuals and families, increase self-sufficiency, and develop the capacity of communities.

The Department is committed to continue to build on the successes highlighted in this report to achieve our mission to promote the safety, well-being, and self-sufficiency of Arizona's children, adults, and families.

If you have any questions, please contact me at (602) 542-5757.

Sincerely,

Tracy L. Wareing
Director

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Section 1 – Department of Economic Security Overview

The Department of Economic Security (DES) is an integrated human services agency that provides critical protective and assistance services to Arizona's children, adults and families.

The Arizona State Legislature established DES (A.R.S. § 41-1954) in 1972 by consolidating the authority, power and duties of five separate state agencies, followed by a sixth in 1974. The intent of the 1972 legislation and subsequent amendments was to provide an integrated approach to human services.

The DES Vision is that every child, adult and family in the State of Arizona will be safe and economically secure. The Department strives to achieve this through its Mission to promote the safety, well-being and self-sufficiency of children, adults and families.

There are five core values that form the basis for the work that DES does in the fulfillment of its mission: collaboration, accountability, innovation, diversity, and respect. These values serve several purposes and are applied in the daily work across the Department.

In state fiscal year 2008, DES had approximately 11,200 authorized full-time equivalent (FTE) positions and 226 offices throughout the state, including 182 direct-service offices, 17 residential facilities, and 27 administrative and training offices. DES owns 22 of the offices and 8 of the residential facilities. The remaining 196 locations are leased. The central administration is located in Phoenix and the six district offices are located in Phoenix, Tucson, Flagstaff, Yuma, Casa Grande, and Bisbee.

The Department has more than 14,500 contracts and agreements with nonprofit, for-profit, governmental agencies, Tribal governments and other community partners throughout Arizona. These contracts provide services to Arizonans across the human service delivery continuum and critical operational support to the Department and its staff.

DES and its provider networks promote the safety, well-being and self-sufficiency of Arizonans. The broad program areas include: Child Protective Services; child welfare services to provide families the tools they need to care for their children; foster care and adoption support; child care assistance to help low-income parents become and remain employable; Adult Protective Services and a range of in-home supports for the elderly to assist them in remaining independent; domestic violence and homeless shelter and supports; food and nutrition services; utility assistance; early intervention services for infants and toddlers at risk of developmental delays; home and community-based services for individuals with developmental disabilities; unemployment insurance; employment assistance (including vocational rehabilitation and job training); child support enforcement; refugee resettlement services, and financial support and eligibility determination for much of the state's medical program, the Arizona Health Care Cost Containment System (AHCCCS).

Section 2 – Trends in Human Services and DES’ Response to the State’s Economic Security Needs

Caseloads and Budget

At the start of fiscal year 2008, Arizona was at the forefront of the economic downturn, being one of the first and hardest hit by the housing foreclosure crisis. The deterioration of the national and state economy is having a profound impact on Arizona’s most vulnerable residents. These families are increasingly turning to the social safety net, including programs administered by the Department and those delivered by other community organizations that rely, in part, on funding from DES. The result has been a significant increase in the demand for services over the previous year.

While the Department is currently experiencing its highest ever caseloads in critical safety net services such as child care, the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps), Medicaid services for which DES determines eligibility, unemployment insurance (UI) claims, and the number of children in out-of-home care, increases were also felt in fiscal year 2008. As an example of caseload increases, between June 2007 and June 2008:

- The Supplemental Nutrition Assistance Program caseload increased 17.6 percent, to 274,483 cases of supplemental nutrition assistance.
- The number of individuals enrolled in AHCCCS, for whom the Department determines eligibility, increased 7.6 percent.
- 47,403 children received child care assistance, a 5.4 percent increase.
- Although the Cash Assistance caseload only increased 0.2 percent to 36,100 cases during this time period, the significant factor is that it has stopped its dramatic decline. Between 2003 and 2007, the Cash Assistance caseload actually declined 28.2 percent due to a combination of increased employment, a healthy economy and improved coordination between programs. The Department is anticipating an increase in the Cash Assistance caseload as the economy stagnates and people lose their extended UI benefits over time.
- In addition, the Department is seeing more serious types of abuse and neglect requiring more complex interventions in Child Protective Services and an increase in Adult Protective Services investigations. At least anecdotally these can be related directly to stress and the loss of primary caregivers due to the economic climate.

The impact of the economy in fiscal year 2008 has not changed in fiscal year 2009 and caseloads continue to increase. It is in these challenging times that the social safety net provided by the Department is most important and requires support in order for critical services to continue to be delivered in the most effective and high-quality manner to Arizonans.

Poverty Prevention and Reduction Strategies

Numerous factors in today’s changing society, individually and combined, create special challenges in the continuum of human service delivery. These factors have a direct, immediate effect, as well as long-range implications on the volume and array of DES assistance and supportive services needed.

Poverty prevention and reduction programs and services are part of the core work of DES, and in fiscal year 2008 the Department has demonstrated an understanding for not only the current economic environment DES is operating in, but also for the need to plan for greater economic security in Arizona. In addition to providing services that assist low-income families with obtaining skills and employment, the Department is also finding new approaches to enhance economic mobility for and meet the needs of low-income individuals and working families, people with significant barriers to work, and those who experience deep poverty. We are presented with an opportunity to work with families and help them face some underlying economic stability issues head-on, thereby moving people to self-sufficiency. The connection among poverty, the economy and the increased caseloads for cash assistance, SNAP, Medicaid and child care is clear. The Department believes there is a similar connection to child welfare and adult protective services, in that increased stress can contribute to increased abuse and neglect. Thus, poverty prevention work is not just a factor for reducing reliance on safety net programs but can also impact the well-being of both individual families and the state and reduce reliance on a variety of programs over time.

In Arizona, more than 14 percent of people live in poverty, and 21 percent of Arizona's children are living below the federal poverty level. The federal poverty level for a family of four is currently \$21,200. The number of individuals living at or below 200 percent of the poverty level (which is portrayed as a more accurate indicator of being at-risk of poverty) is about 30 percent of the population. Poverty is not someone else's problem or a small problem in our state. Nearly one in three of us is struggling to make ends meet. According to the U.S. Census Bureau 2007 American Community Survey, nearly 800,000 Arizona children (age 19 and under) live in low-income families at or below the 200 percent FPL – this accounts for 47.4 percent of all children in Arizona.

At DES, best practice research on anti-poverty practices is being utilized to develop strategies to meet these challenges. Strategies include helping working families claim the federal Earned Income Tax Credit (EITC) and the child care tax credit, assisting families with relatives transitioning out of jail and prison to successfully reintegrate back into their home communities, providing training and education for employment through the Grant Diversion and Jobs programs, and strengthening the role of fathers in supporting their families. Additional areas must be addressed through innovative program designs utilizing community partnerships.

Because the challenges that families face are complex and often interrelated, the strategies and remedies to address them call for a collective effort. The Department continues to look for innovative strategies to integrate the spectrum of human services both internally and with communities in order to provide and coordinate the most effective services and delivery systems to assist the vulnerable individuals, children, and families of Arizona.

The DES Temporary Assistance for Needy Families (TANF) State Plan focuses on programming and service delivery on poverty prevention as well as outcomes to improve families' economic stability and mobility. These outcomes are discussed in terms of families' interdependence within their communities while being self-sufficient from government assistance.

A foundational part of this work is the "*Economic Mobility and Stability Zip Code Project*" (Zip Code Project); it is an opportunity to further our anti-poverty efforts and test specific strategies on a community scale. Three geographic areas (zip codes) selected for this initiative represent very different, yet important demographics within Arizona. The *Zip Code Project* will work with DES' TANF-funded programs, families and community partners in these areas and around the state to plan and implement specific anti-poverty strategies proven effective in other states and locales.

To address the current economic situation, in December 2007 Governor Napolitano requested her Faith and Community Initiative Council, which includes membership from DES, to take the "pulse" of what the community was experiencing. Even last December, before the sub-prime mortgage crisis hit hardest, faith-based and community providers serving Arizona were seeing requests for assistance rise while revenue and donations were decreasing.

Following a needs assessment, the DES Director was tasked with taking the lead in developing an outreach and communication plan that resulted in the distribution of clear and understandable information about existing resources to assist families facing hardship given the current economic environment. A key piece of the Governor's request was to ensure that the information was made readily accessible to families in places where they naturally congregate and through outreach efforts that connect the information with families who need it. *Feeling the Economic Crunch? Find the Help You Need* is the result of this request – a campaign anchored through www.AZ211.gov in partnership with the United Way, and local community organizations and businesses – that highlights resources for people in areas related to housing, employment, family stress, and paying the bills. The *Crunch* campaign also includes information for how people can give help to others in need through donations and volunteering their time.

The primary purpose of DES' continuing efforts to enhance economic security and mobility for working families and individuals is to be a partner in helping to create the conditions in which Arizonans can protect and improve their health, education, incomes, wealth, and community. This ongoing work in poverty prevention and reduction will continue to be vital in the context of the current economic environment as Arizona finds ways to plan for its own greater economic security.

Section 3 – Use, Training, and Placement of the Department’s Workforce

In order to function as a high performance organization providing integrated services to vulnerable children, adults and families, DES must position itself within the community with a solid foundation grounded in qualified, motivated employees and high quality business systems, including a sound technological base. These are absolute requisites for doing business in the 21st century. To facilitate integrated services and improved outcomes for children, adults, and families in Arizona, the Department has focused on workforce planning and information technology improvements.

Similar to other state agencies and the human services field, DES experiences challenges in attracting and retaining a qualified workforce. Recruitment, development, and retention of qualified staff are crucial to achieving the Department’s vision, mission, and goals; and qualified employees are a good investment to prevent the costs of turnover, retraining, and low morale.

Repositioning the workforce is a major focus of health and human services across the country. While fewer students are electing to enter the social work and related human service fields, more experienced staff are reaching retirement age. Across Arizona, DES and its partners are advocating for solutions and developing strategies to improve employee recruitment, retention, and training. Arizona can be a national leader in this area through strong partnerships, and DES will continue to address workforce needs in a collaborative way.

State government, like most American businesses, increasingly relies on information technology for the provision of services, financial management, personnel management and responding to federal and state reporting requirements. The Department requires a sound technological infrastructure to support integrated service delivery, increased demand for services, and e-government expansion to improve access to services and facilitate improved outcomes for children, adults, and families throughout Arizona.

Several information technology systems within the Department are no longer functionally adequate to meet internal and external business needs. In FY 2008, DES advocated for investments in critical technology improvements and modern, integrated systems; this investment must continue in future years.

Beyond addressing specific needs of the human services workforce and information technology, capacity is a key environmental factor in service delivery. Capacity issues include lack of early intervention services, substance abuse treatment, transportation, and other infrastructure issues. Arizona’s smaller and rural communities, while sometimes facing capacity concerns themselves, also present an opportunity for DES engagement and improvement by working with partners in these communities and using their smaller size and close proximity as an advantage.

DES has been focused on enhancing its training and engagement of its workforce. This includes everything from the hiring process to performance management, training and development, support, and recognition of existing staff.

The Department recognizes the critical work DES staff do as well as the importance of workforce supports during times of economic downturn that create higher caseloads. Currently, DES is implementing several human resource techniques to ensure a quality workforce. There are several strategies being put into operation that utilize competency based recruitment and selection for prospective employees' talent and fit in the Department, as well as development and training tools that can be used to help attract and retain the workforce. For example, the Department is developing competency based hiring and selection criteria for the Child Protective Services (CPS) classification series with the goal of improving retention in child welfare. A summary of fiscal year 2008 efforts to improve DES' workforce follows.

Building Core Competencies

Currently, a comprehensive recruitment and selection process based on core competencies to attract and hire staff for key Family Assistance Administration (FAA) field positions has been underway to improve the quality of services to FAA customers. These include the Program Service Evaluator (PSE) classification series and Customer Service Representatives (CSR) classifications – two significant positions with critical customer interface. The Hire for Talent project is on schedule to be implemented in 2009, and is currently being independently evaluated by Arizona State University.

The Department is moving beyond the use of competencies in the hiring/selection process to a broader application in the recruitment, performance management, quality improvement process, staff development, and recognition of staff. The expectation is that identifying core competencies for specific DES staff classifications and using these in the recruitment and selection process will improve the hiring of staff, contribute to reduced turnover and overtime, and thereby promote retention of qualified staff. The core competencies identified will align with the Department's mission, vision, values, and guiding principles to improve the likelihood of achieving the best organizational and job match.

During fiscal year 2008, core competencies were identified for child welfare staff specialist and supervisor positions. Based on these competencies, the following tools were developed: new Position Description Questionnaires (PDQ) for the child welfare specialist classification series, Performance Appraisal for State Employees (PASE) performance measures to align with the PDQ and core competencies; behavioral based interview questions for each competency; and a new job announcement to align with core competencies. Finally, the new tools were tested in Tucson, and evaluation efforts are underway.

As the Department continues to focus on attracting and retaining a quality workforce and furthering the core values of DES, one of the key elements being studied is the relationship between the employee and the individual who supervises him/her. There is a strong body of work that indicates that employees do not leave their organization, they leave the person who supervises them. Essentially, supervisors embody the close personal relationship of the organization with the individual employee: if that relationship is strong, the connection to the organization is strong; if that relationship is tenuous, the connection to the organization is tenuous. DES has approximately 1,800 individuals who supervise a total of 10,000+ staff. As part of the work that is ongoing regarding recruiting and retaining the workforce, the Department recognizes the special nature of the supervisor-employee relationship and its connection to

retaining staff. Part of that work is currently in development through the workforce planning projects being carried out with both child welfare and Family Assistance Administration eligibility determination staff, including the completion of research on core competencies for supervisors. Next steps in the development of competencies and expectations for supervisors include: developing a process model for DES-wide competency work that integrates hiring processes (Knowledge, Skills and Abilities (KSA's) and competencies), and developing recommendations for a single DES competency library for use by all staff.

Once the core DES competencies are defined for Department-wide implementation, training of staff and supervisors will be tied to particular skills within competencies which are key to particular positions (e.g., supervisor, administrative assistant) and/or will be packaged as pertaining to a competency as a whole (e.g., communication, conflict resolution). A next step in the Department's work in supporting core competencies includes putting into practice a system that rewards and recognizes staff who exhibit behaviors and produce results that are tied to the core competencies.

Improve the On-Boarding Process

During fiscal year 2008, staff across the Department have worked together to develop an employee retention initiative called on-boarding. The focus of on-boarding is to improve the way DES integrates new hires into the state's largest human service agency, making that person feel like they are a part of DES and that the work they will do is important. Ultimately, the goal of on-boarding is to improve the likelihood of retaining that employee within the DES workforce. Many organizations utilize a staged on-boarding approach which commences from the time an offer of employment is accepted through approximately the first year of employment, and includes shadowing other employees and mentoring. The expected outcome of DES' on-boarding work is to improve retention, and communicate to staff that they and the work they perform is vitally important to the Department and the people of Arizona.

Expand Employee Education and Development Opportunities

For the past several years, DES, like other state agencies has established relationships with education and development entities including Arizona Government University (AzGU) and state and local colleges. In order to both improve the existing DES workforce as well as develop the future human services workforce, DES is working deliberately to expand and enhance existing educational and development opportunities.

In fiscal year 2008, several of these relationships were expanded including: the AzGU Supervisor Academy which is now available to DES employees and must be completed by new supervisors within one year of moving into a supervisory role; DES staff served in Adjunct Professor, Guest Lecturer, and Brown Bag presenter roles with Arizona State University, including ASU Downtown which houses the College of Public Programs and the ASU School of Social Work; and DES provided input and marketed Rio Salado Community College's e-Learning Design Specialist Program Certification series.

Web Conferencing

Over the past year, DES has implemented web conferencing across all divisions and business areas, allowing traditional conference calls to be enhanced through presentation and document sharing. This communication tool has also provided a viable, cost saving option to face-to-face meetings. DES will continue to utilize web conferencing where cost and productivity savings can be incurred. Web conferencing generates a number of compelling benefits for DES and the State of Arizona including decreased fuel, maintenance and fleet expenses, enhanced productivity by reducing travel time, increased environmental benefits, and improved collaboration and interoperability between state agencies through a unified approach to web conferencing, which is especially important in the event of an emergency. Finally, web conferencing supports state agency programs like “Virtual Office” allowing employees to work from home by using a web conferencing tool, thereby saving state agencies the overhead expenses associated with maintaining an office space for employees.

Section 4 – Fiscal Year 2008 Highlights and Accomplishments

The following describes selected agency accomplishments during fiscal year 2008 in accordance with each of the agency's three goals:

Strengthen Individuals and Families

Arizona Families F.I.R.S.T (AFF) received a federal funding award for the AFF Parent to Parent Recovery Program in Maricopa County in October 2007. This program is being implemented in partnership with AFF providers, Southwest Human Development, the Family Involvement Center, the Arizona Attorney General's Office, and other stakeholders in the Child Protective Services (CPS) offices in Maricopa County. Parent to Parent Recovery provides enhanced AFF services through the assignment of a trained recovery coach who engages the family and assists them in their recovery from substance abuse. Eligible families are those who are identified during the Team Decision Making process (TDM) as having children who are at risk of removal and for whom the TDM has identified parental methamphetamine use as a risk factor. Parent to Parent recovery coaches work attend the TDMs to begin to assist clients with navigation of the child welfare system and to help clients better understand the child welfare staff's recommendations. The recovery coaches provided monthly progress reports for submission to CPS, and a partnership and core committee meet on a regular basis to discuss program implementation.

The Department of Economic Security's Division of Children, Youth and Families (DES/DCYF) has been focused on continuous improvement for a number of years. Assessment and case planning tools guide the collection and analysis of information and decision-making about child safety. These tools and protocols set a standard of practice and create statewide uniformity for overall assessment and case planning within Arizona's child protection system. The Department released a new child safety assessment tool in November 2007 that ensures responses to investigations of child abuse and neglect include a holistic child safety assessment summary. The revised assessment increases consistency in assessing child safety and risk, guides CPS case managers and supervisors in their decision-making and case planning, and will reduce paperwork once fully automated. The user interface of the new tool is intuitive and significantly improves the quality of documentation by child welfare workers. Improvements to the child safety assessment were made as a result of reviews of case files, surveys of CPS case managers and supervisors and information regarding national best practices and research.

During fiscal year 2008, Arizona emergency domestic violence shelters contracting with the Department of Economic Security provided more than 300,000 nights of safety, and 11,333 women and children received shelter at domestic violence shelters.

Increase Self-Sufficiency

In September 2007, the Department received the federal Office of Child Support Enforcement (OSCE) Commissioner's Award for Innovative Technology for its auto-dialer call generation system. In 2006, the Department began the project to build an auto-dialer application that targets specific groups of noncustodial and custodial parents reminding them of child support

obligations, meetings, and hearings. The application automatically creates call campaigns and generates telephone reminder messages, and in the first 10 months of operation, more than \$1.6 million in child support payments attributed to the auto-dialer system was collected.

Arizona Industries for the Blind (AIB) Distribution Services Unit (DSU) successfully expanded its warehousing and distribution services for the Defense Supply Center Philadelphia (DSCP) in January 2008. Some of the highlights of this expansion include:

- Creation of six new job opportunities for individuals who are blind or visually impaired;
- An increase in the leased warehouse space from 20,000 square feet to 50,000 square feet; and
- Doubling the annual number of orders shipped from 60,000 to 120,000.

Because of AIB's ability to provide superior customer service and meet high performance standards, DSCP began relocating all military insignia products currently stored at the Defense Distribution Centers in New Cumberland, Pennsylvania, and Tracy, California, to Arizona Industries for the Blind.

Additionally, the Arizona Industries for the Blind (AIB) opened its new digital imaging center in June 2008 which provides document imaging services to governmental and commercial customers. Document imaging is the conversion of paper documents to electronic records that can be quickly retrieved. Services include document preparation, scanning of standard and large format documents, indexing, and delivery of electronic images. In addition to hiring six visually impaired new employees, the AIB center provides an efficient, affordable resource and reduces the need for paper use and storage.

In January 2008, the Department established four Volunteer Income Tax Assistance (VITA) sites in DES offices to assist low income individuals and families with free tax preparation and to encourage participation in the federal Earned Income Tax Credit (EITC) and economic stimulus programs. In Arizona - Tax Year 2007, 72,000 returns were prepared by volunteers; \$56 million in tax refunds were received; and an estimated \$21.6 million in preparation fees was saved (\$300 per return).

The U.S. Department of Labor (DOL) requires states to review and evaluate a random sample of unemployment insurance appeal cases to determine whether DOL quality standards have been met. The DOL standard is that 80 percent of cases reviewed must score 85 percent or better. In March 2008, DES achieved a perfect score for the fourth quarter of 2007, with 100 percent of cases scoring at least 85 percent.

At the end of fiscal year 2008, an announcement was made that Arizona became one of three states with the most improved food stamp payment error rate during fiscal year 2007 and will receive a food stamp program high performance bonus as a result. Arizona has taken many approaches to increasing food stamp payment accuracy, including practices to improve accountability, perform risk assessments, implement changes based on such assessments, and monitor program performance

Develop the Capacity of Communities

Phase I of the Department's Client Identification Program began in July 2007 in the Department's Adult Protective Services (APS) Administration in the Glendale and Sierra Vista offices. The Client Identification Program (now: Medallion program) is a voluntary program that helps first responders in emergencies or situations that require evacuations to identify vulnerable adults and individuals with disabilities.

The Phoenix South Mountain area Family Connections office established a partnership with the Arizona Department of Corrections (ADC) to work with individuals who are exiting the prison system and their families to provide economic, employment, and social supports to ensure successful re-entry into the community. The pilot began on July 1, 2007, with ADC staff co-located with DES staff in a local DES office. Family Connections staff share philosophies and practices with ADC staff to help ensure that individuals and their families receive comprehensive and coordinated services aimed at reducing the chances of committing another offense. Strength-based and family-centered strategies are provided at the earliest point of discharge planning for inmates and continue until individuals and their families have demonstrated increased self-sufficiency and safety goals. During fiscal year 2008, Family Connections staff reported conducting 84 prison visits, 83 home visits, and offered DES or community benefits to 101 recently released inmates and their families.

Arizona was recognized by the U.S. Department of Agriculture, Food and Nutrition Services (FNS) in December 2007 for the DES Family Assistance Administration's Sierra Vista local office as a mentor for other states in the Food Stamp Outreach Coalition (FSOC). Members of the FSOC include national groups interested in promoting the health and nutrition benefits of the food stamp program, and work to end hunger and improve nutrition at both the national level and in support of local outreach projects. The FNS also specifically recognized the Department's local offices in St. John's and Metro Phoenix for their work as *Hunger Champions*.

Led by DES, the Arizona Partnership to End Childhood Hunger was created in June 2008 to ensure all children have access to nutritious food. The Partnership is a collaborative effort between families, state and local government, community based organizations, volunteers and anti-hunger professionals working to implement ten strategies statewide, in local communities across Arizona to end childhood hunger.

Section 5 – Economic Conditions and Outlook¹

Arizona is forecast to lose 47,500 jobs or -1.8 percent for over calendar years 2008 and 2009. The Arizona Department of Commerce, Research Administration's (RA) forecast update expects a loss of 34,000 jobs (-1.3 percent) in 2008, and employment reductions of 13,500 (-0.5 percent) in 2009. In contrast, the previous forecast released in May 2008 projected a loss of 9,200 nonfarm jobs (-0.3 percent) for the entire two-year forecast period.

Global Insight, a major economics forecasting and consulting firm based in Waltham, Massachusetts, projects that national nonfarm employment will remain unchanged in 2008 and then have a slight loss of 150,000 jobs (-0.1 percent) in 2009.

An Arizona recovery is expected to be delayed until late 2009 and early 2010 because of higher commodity prices, especially for food and energy, stagnant incomes and the effects of the crisis in finance and housing. Stagnant incomes and rising prices have reduced the real spending power of the consumer and damaged the industries dependent on consumer spending such as trade, transportation, leisure and hospitality.

Indicators of the continued downturn in the housing market include rising rates of mortgage foreclosures, declining sales of new and existing homes, higher inventories of unsold houses, falling housing starts and a continued decline in home prices. The reduction of credit availability as a result of widening financial market instability has served to compound the downturn in housing by increasing the difficulty in securing home loans for many buyers. As a result of tighter credit, less money is available to make loans not only for houses, but also other consumer and business purchases. Because of this reduced spending, firms are expected to decrease output and employment.

Unfortunately, the current financial crisis has spread to other parts of the world and is contributing to the slowdown in global economic growth. Besides financial turbulence, higher commodity prices (especially for food and energy) have also contributed to a global economic slowdown. RA projects economic and financial problems in Asia and Europe will impact Arizona by reducing demand for the state's exports and limiting the supply of imported capital available for domestic lending.

As a result of worsening problems in the financial and housing markets, job losses in construction are projected to deepen during the 2008-2009 forecast period to number more than 44,000, or a decline of almost 20 percent. RA projects a loss of 31,000 jobs in 2008 and 13,000 jobs for 2009.

The downturn in the construction industry is projected to contribute to the reduction of employment in the professional and business services industry group. Companies in this major industry group hire many construction employees through the employment services sector with

¹ Arizona Department of Commerce, Research Administration, Forecast Update, October 2, 2008

its many contract and temporary labor services firms. As a result, RA projects a loss of more than 7,000 jobs (-1.9 percent) for forecast period.

Job losses in financial activities are forecast to total more than 10,000 jobs (-5.7 percent) from 2008-2009. Recent merger and acquisition activity in the financial services industry is projected to contribute to employment decreases.

Slowing economic growth in the domestic and international economy has reduced the demand for goods produced in Arizona's factories. RA forecasts a reduction of almost 6,000 jobs (-3.3 percent), in manufacturing in 2008 and 2009 as a consequence of decreased demand.

Trade, transportation, and utilities is forecast to have job losses as a result of curtailed business and consumer spending in response to the economic downturn. During the forecast period, RA projects total job decreases will number 7,000 (-1.3 percent).

Other services is projected to have a total reduction of 1,600 jobs (-1.7 percent) over the two-year period. Increased demand for repair services, however, is forecast to bolster this major industry as a result of financially stressed businesses and consumers delaying the purchases of new equipment and machinery.

Information job reductions are forecast to number 1,400 (-3.3 percent) in 2008 and 2009.

Educational and health services is projected to have the largest job growth of any major industry group with a gain of more than 18,000 jobs (6.1 percent) in the forecast period. Despite a growing and aging population, the growth rate is forecast to slow as a consequence of the current economic downturn.

Employment gains in the public sector are forecast to number 7,500 (1.8 percent) in 2008 and 2009. The reduction in government tax revenue as a result of a slowing economy is forecast to sharply curtail job growth in 2009, especially in the state and local education sectors.

Leisure and hospitality is projected to have a gain of 2,700 jobs (1.0 percent) during the forecast period.

Local tourism is forecast to provide some compensation for the reduction in the number of domestic and international travelers.

Natural resources and mining is projected to have slowing job growth as a result of reduced economic expansion in the rest of the world, especially in Asia. RA forecasts an increase of 2,500 jobs (22 percent).

In conclusion, Arizona's employment updated forecast projects a greater loss of nonfarm employment (-47,000 jobs or -1.8 percent) in 2008 and 2009 compared to its previous forecast released in May (-9,200 jobs, or -0.3 percent) because of a loss in business and consumer confidence. Higher food and energy prices, falling home values, stagnant incomes and contracting credit have all combined to erode business and consumer confidence.

Section 6 – Statistics

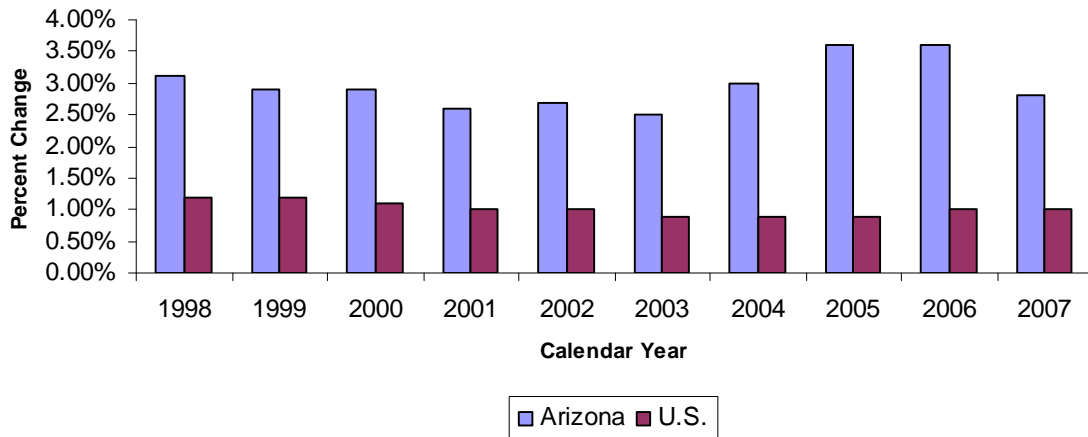
ARIZONA DEPARTMENT OF ECONOMIC SECURITY Comparison between Arizona and United States Population For the Calendar Years Ended December 31 (2007 is the most recent data available)

Year	Arizona Population	United States Population	Percentage Change In Arizona Population	Percentage Change in U.S. Population
1998	4,883,342	275,854,104	3.10%	1.20%
1999	5,023,823	279,040,168	2.90%	1.20%
2000	5,167,260	282,194,308	2.90%	1.10%
2001	5,301,097	285,112,030	2.60%	1.00%
2002	5,444,881	287,888,021	2.70%	1.00%
2003	5,579,307	290,447,644	2.50%	0.90%
2004	5,744,367	293,191,511	3.00%	0.90%
2005	5,952,083	295,895,897	3.60%	0.90%
2006	6,165,689	298,754,819	3.60%	1.00%
2007	6,338,755	301,621,157	2.80%	1.00%

Source: Arizona data was provided by the Arizona Department of Commerce. U.S. data was provided by the Bureau of Economic Analysis (BEA).

Note: The information contained in the sources used for this table is revised continually, and, accordingly, the amounts in the above table have been revised. Amounts presented, therefore, may not match the amounts reported for prior years.

Population Growth

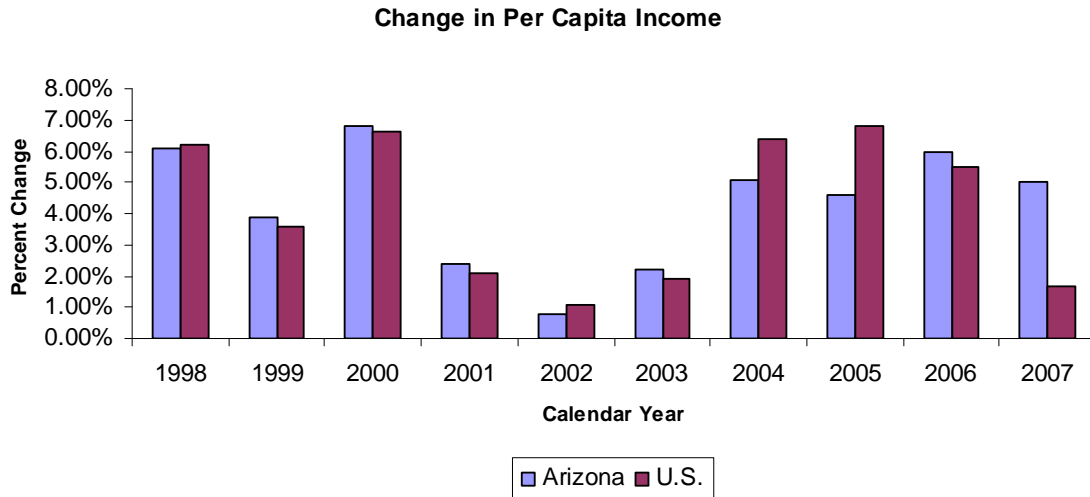


ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Comparison between Arizona and United States Per Capita Income
For the Calendar Years Ended December 31
(2007 is the most recent data available)

Year	Arizona Per Capita Income	U.S. Per Capita Income	Percentage Change in Arizona Per Capita Income	Percentage Change in U.S. Per Capita Income
1998	26,883	23,216	6.10%	6.20%
1999	27,939	24,057	3.90%	3.60%
2000	29,845	25,653	6.80%	6.60%
2001	30,574	26,193	2.40%	2.10%
2002	30,821	26,474	0.80%	1.10%
2003	31,504	26,989	2.20%	1.90%
2004	33,123	28,710	5.10%	6.40%
2005	34,650	30,672	4.60%	6.80%
2006	36,744	32,353	6.00%	5.50%
2007	38,564	32,900	5.00%	1.70%

Source: Arizona and U.S. data were provided by the Bureau of Economic Analysis.

Note: The information contained in the sources used for this table is revised continually, and, accordingly, the amounts in the above table have been revised. Amounts presented, therefore, may not match the amounts reported for prior years.



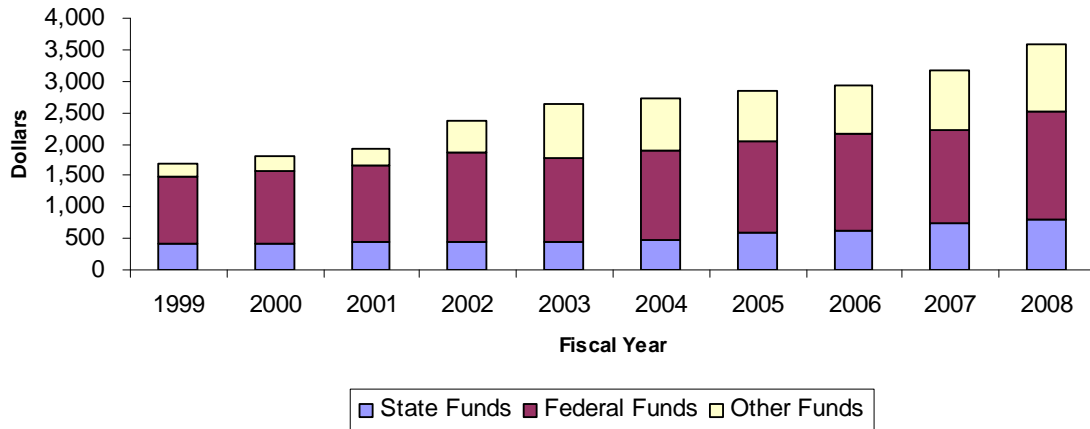
ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Expenditures by Funding Source
(Governmental Funds and Unemployment Insurance Benefits)
For the Fiscal Years Ended June 30

Year	State Funds	Federal Funds	Other Funds	Total Funds
1999	425,235,500	1,045,925,462	220,049,050	1,691,210,012
2000	422,155,816	1,134,907,352	241,950,698	1,799,013,866
2001	442,940,537	1,215,771,799	278,444,218	1,937,156,554
2002	449,946,977	1,406,217,101	511,087,455	2,367,251,533
2003	434,725,701	1,350,528,136	856,181,840	2,641,435,677
2004	472,442,402	1,420,389,817	846,938,314	2,739,770,533
2005	595,906,541	1,461,830,185	778,674,563	2,836,411,289
2006	626,707,813	1,543,938,187	771,890,762	2,942,536,762
2007	734,043,579	1,498,649,185	943,064,161	3,175,756,925
2008	801,862,086	1,703,396,765	1,080,817,875	3,586,076,726

Source: The Arizona Department of Economic Security, Audited Comprehensive Annual Financial Report, 1999, 2000, and 2001; Audited Financial Statements, 2002, 2003, 2004, 2005, 2006, 2007, and 2008.

Note: Federal Funds amounts include amounts for food stamp benefits distributed.

Expenditures by Function and Funding Source (in millions)



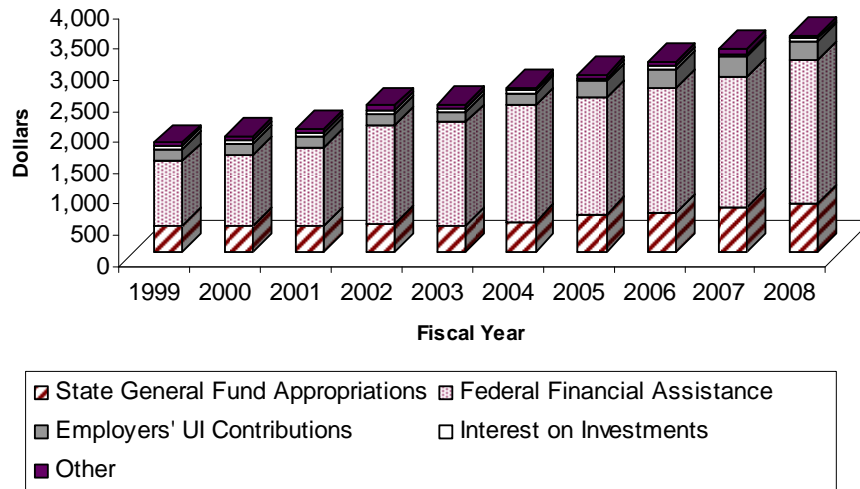
ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Revenues by Funding Source
(Governmental Funds and Unemployment Insurance Benefits)
For the Fiscal Years Ended June 30

Year	State General Fund Appropriations	Federal Financial Assistance	Employers UI Contributions	Interest on Investments	Other	Total
1999	425,530,200	1,045,521,174	191,326,704	58,281,429	56,212,888	1,776,872,395
2000	434,171,319	1,143,846,770	177,603,712	64,010,350	57,845,055	1,877,477,206
2001	434,834,859	1,267,241,399	175,736,341	69,609,832	61,579,318	2,009,001,749
2002	463,456,900	1,604,700,337	162,157,379	66,619,568	76,573,245	2,373,507,429
2003	422,581,074	1,683,066,873	160,962,888	58,776,481	72,830,370	2,398,217,686
2004	484,037,500	1,893,683,834	194,894,098	46,839,769	51,605,255	2,671,060,456
2005	606,123,799	1,892,812,895	267,264,774	41,401,296	77,732,065	2,885,334,829
2006	632,655,200	2,030,183,141	311,448,934	40,801,691	67,787,346	3,082,876,312
2007	738,670,201	2,105,465,538	322,919,404	48,568,677	75,508,022	3,291,131,842
2008	796,735,199	2,313,806,342	300,370,732	52,175,707	45,081,303	3,508,169,283

Source: The Arizona Department of Economic Security, Audited Comprehensive Annual Financial Report, 1999, 2000, and 2001; Audited Financial Statements, 2002, 2003, 2004, 2005, 2006, 2007, and 2008.

Note: Federal Funds amounts include amounts for food stamp benefits distributed.

Revenues by Funding Source (in millions)

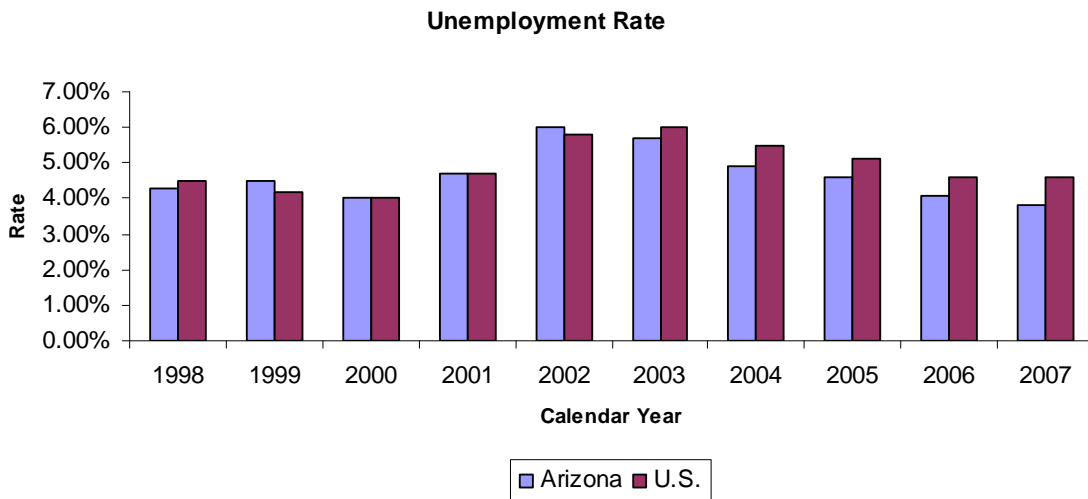


ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Comparison between Arizona and United States Unemployment
For the Calendar Years Ended December 31
(2007 is the most recent data available)

Year	Number of Unemployed - Arizona	Number of Unemployed - U.S.	Unemployment Rate - Arizona	Unemployment Rate - U.S.
1998	103,497	6,210,000	4.30%	4.50%
1999	110,924	5,880,000	4.50%	4.20%
2000	100,390	5,692,000	4.00%	4.00%
2001	121,523	6,801,000	4.70%	4.70%
2002	161,643	8,378,000	6.00%	5.80%
2003	155,815	8,774,000	5.70%	6.00%
2004	137,634	8,149,000	4.90%	5.50%
2005	133,071	7,591,000	4.60%	5.10%
2006	120,647	7,001,000	4.10%	4.60%
2007	115,395	7,078,000	3.80%	4.60%

Source: Arizona data was provided by the Arizona Department of Commerce. U.S. data was provided by the U.S. Department of Labor, Bureau of Labor Statistics.

Note: Unemployment rates are seasonally adjusted.

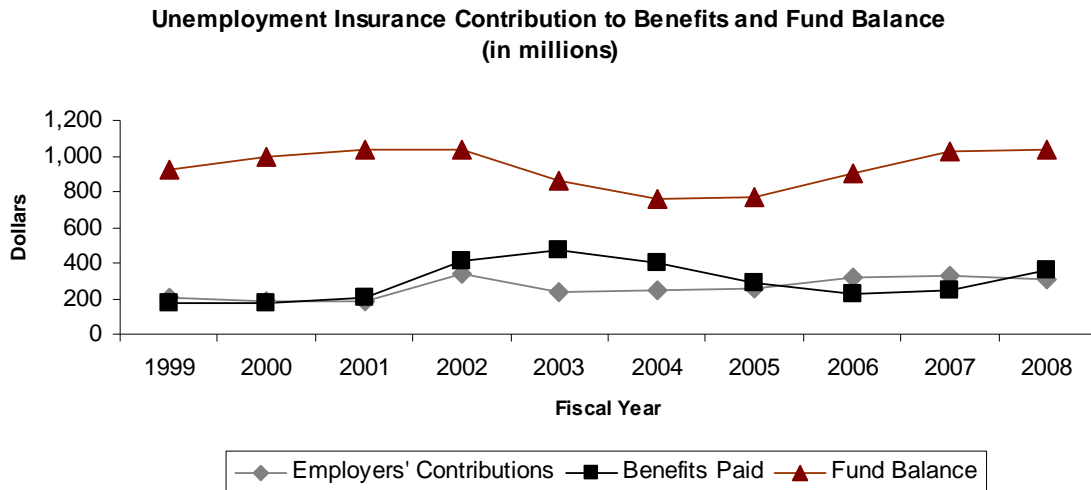


ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Unemployment Insurance Financial Transaction Summary
For the Fiscal Years Ended June 30

Year	Total Employer Contributions	Total Benefits Paid	Fund Balance
1999	200,221,238	169,265,609	919,819,409
2000	188,348,457	177,980,914	993,052,630
2001	182,095,014	202,900,332	1,038,116,687
2002	338,555,460	407,021,875	1,033,275,970
2003	237,542,722	467,411,646	860,871,706
2004	247,481,831	394,987,858	759,016,265
2005	261,480,966	287,693,670	772,158,698
2006	317,941,840	224,142,148	902,130,314
2007	330,183,208	246,783,048	1,029,325,981
2008	309,214,081	354,892,511	1,032,075,498

Source: The Arizona Department of Economic Security, Unemployment Insurance Financial Transaction Summary Report.

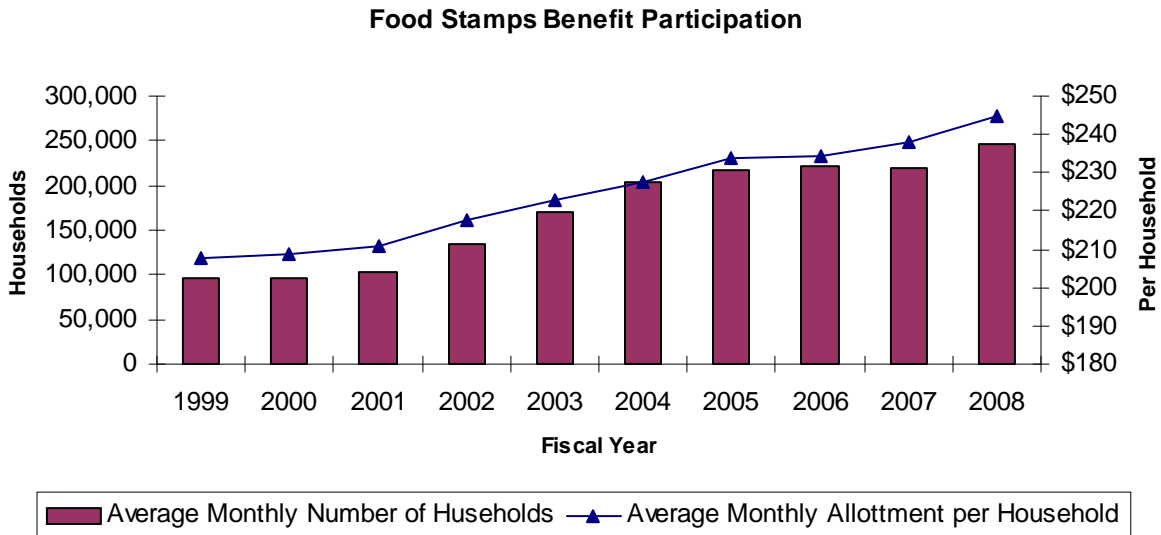
Note: The total benefits paid amount for all fiscal years has been adjusted to include interstate benefits.



ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Food Stamps Benefit Participants
For the Fiscal Years Ended June 30

Year	Average Monthly Number of Households	Average Monthly Number of Persons	Average Monthly Allotment Per Household	Average Monthly Allotment Per Person	Average Monthly Benefits Distributed
1999	95,938	260,736	207.73	76.43	19,929,511
2000	95,238	257,989	208.83	77.09	19,889,001
2001	102,307	277,192	211.04	77.89	21,590,998
2002	134,135	355,722	217.64	82.07	29,193,426
2003	171,247	442,320	223.06	86.36	38,198,140
2004	204,010	521,992	227.63	88.96	46,438,594
2005	217,983	546,369	234.06	93.38	51,021,394
2006	221,944	546,424	234.30	95.15	52,001,162
2007	218,598	537,072	238.18	97.10	52,150,403
2008	246,767	600,549	244.52	100.48	60,340,187

Source: The Arizona Department of Economic Security, Family Assistance Administration.

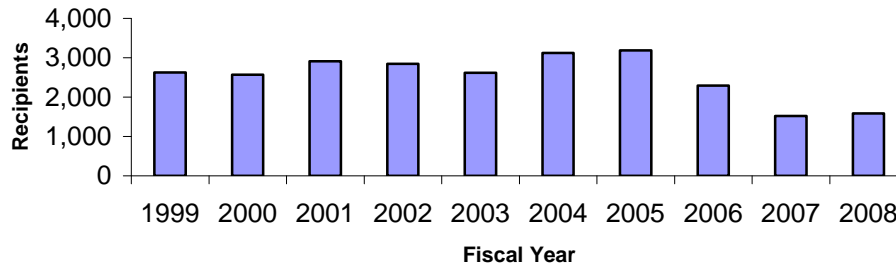


**ARIZONA DEPARTMENT OF ECONOMIC SECURITY
General Assistance
For the Fiscal Years Ended June 30**

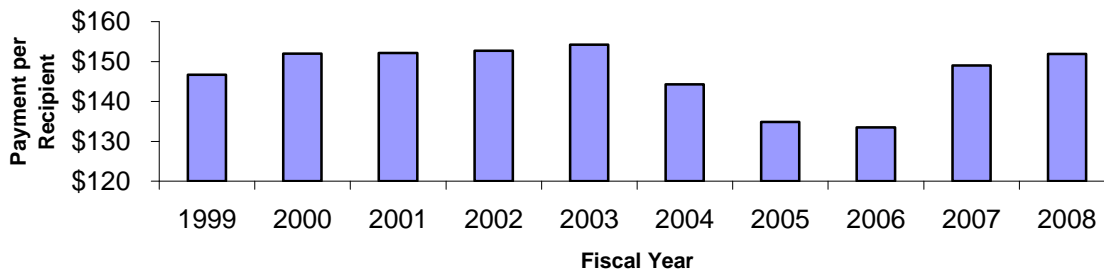
Year	Average Monthly Number of Recipients	Average Monthly Payment Per Recipient	Average Monthly Payments
1999	2,642	146.70	387,556
2000	2,566	151.96	389,855
2001	2,917	152.12	443,007
2002	3,520	152.66	537,348
2003	2,947	154.21	453,103
2004	3,125	144.22	448,802
2005	3,186	134.82	429,526
2006	2,289	133.52	307,472
2007	1,522	149.01	196,574
2008	1,585	151.88	206,788

Source: The Arizona Department of Economic Security, Family Assistance Administration.

Average Number of Recipients



Average Monthly Payment per Recipient

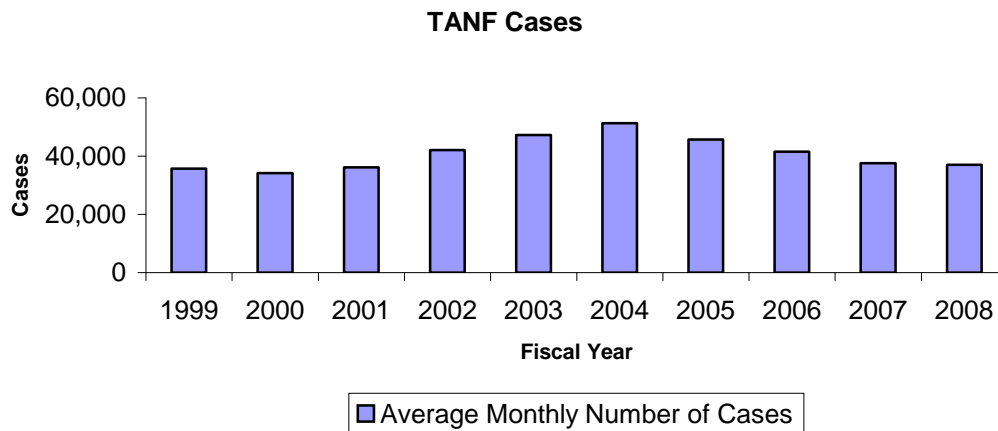


ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Temporary Assistance for Needy Families Cash Assistance*
For the Fiscal Years Ended June 30

Year	Average Monthly Number of Cases	Average Monthly Number of Recipients	Average Monthly Payment Per Case	Average Monthly Payment Per Recipient	Average Monthly Payments
1999	35,730	95,556	282.66	105.69	10,099,685
2000	34,211	89,770	283.82	108.16	9,709,791
2001	36,146	93,857	282.66	108.86	10,216,987
2002	42,102	109,547	286.99	110.30	12,082,660
2003	47,298	121,193	282.76	110.35	13,373,618
2004	51,318	122,577	284.92	119.28	14,621,497
2005	45,742	105,517	282.38	122.41	12,916,521
2006	41,580	93,553	278.60	123.82	11,584,130
2007	37,616	82,408	275.83	125.90	10,375,533
2008	37,030	80,221	274.58	126.75	10,167,799

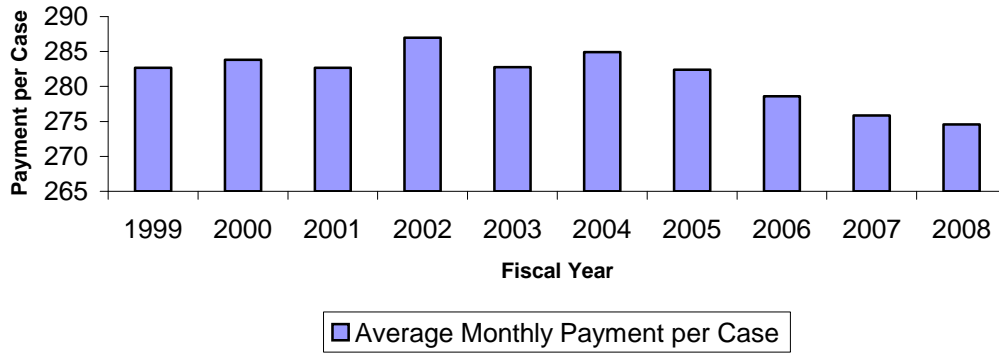
Source: The Arizona Department of Economic Security, Family Assistance Administration.

* Includes the following Native American Tribes: Hopi, San Carlos Apache, Pascua Yaqui, White Mountain Apache, and Salt River Pima-Maricopa.

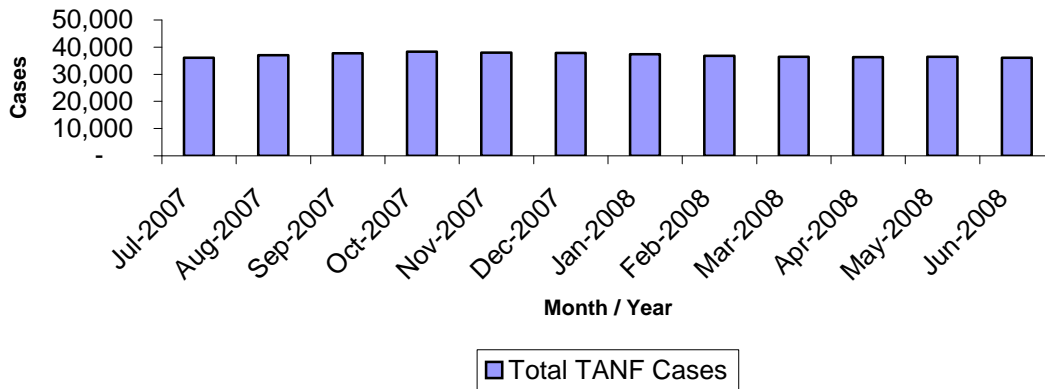


ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Temporary Assistance for Needy Families Cash Assistance*
For the Fiscal Years Ended June 30
(continued)

Average Monthly Payment per Case



Total TANF Cases

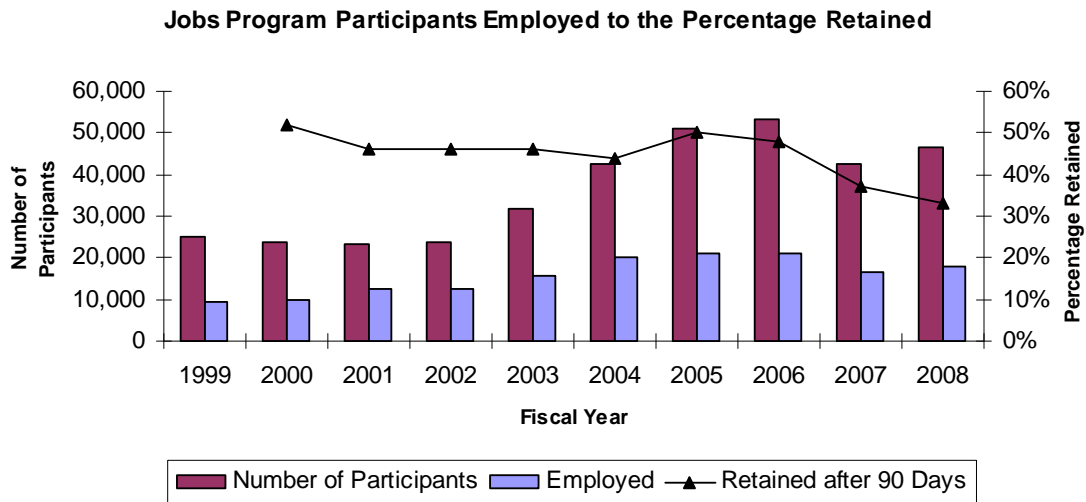


ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Jobs Program
Comparison of Participants and Participants Employed

Year	Number of Participants	Total Employed	Percentage Retained Employment For at Least 90 Days
1999	25,209	9,604	
2000	23,802	9,950	52%
2001	23,290	12,405	46%
2002	23,818	12,513	46%
2003	32,008	15,490	46%
2004	42,565	20,185	44%
2005	51,130	20,940	50%
2006	53,377	21,067	48%
2007	42,405	16,780	37%
2008	46,558	18,101	33%

Source: The Arizona Department of Economic Security, Employment Administration.

Note: The Jobs Program started in fiscal year 1991. In fiscal year 1998 and the first half of 1999, percentage retained after 90 days was not tracked as a performance measure.



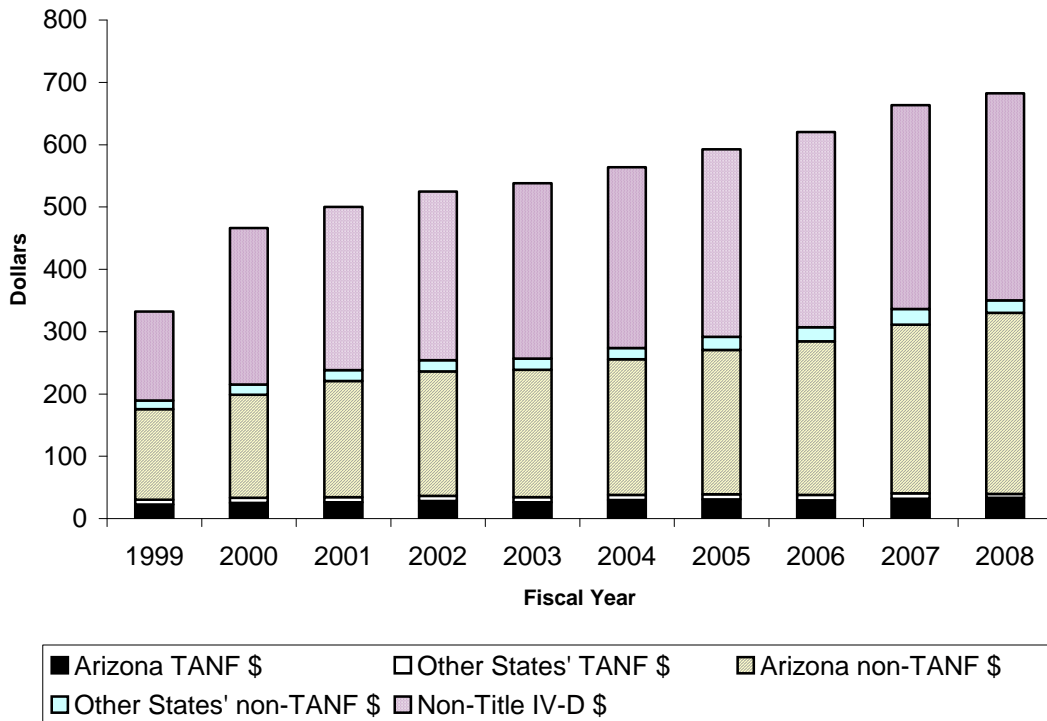
ARIZONA DEPARTMENT OF ECONOMIC SECURITY
Child Support Enforcement Collections
For the Fiscal Years Ended June 30

Year	TANF Collected for Arizona	TANF Collected for Other States	Non-TANF Collected for Arizona	Non-TANF Collected for Other States	Non-Title IV-D Collected	Total Collections
1999	22,739,900	7,326,300	145,367,800	13,791,700	143,074,200	332,299,900
2000	25,100,000	8,212,400	165,356,200	16,248,800	251,380,400	466,297,800
2001	26,106,500	8,538,800	186,167,200	17,225,100	262,336,000	500,373,600
2002	28,407,500	8,193,600	199,834,500	17,659,300	270,510,400	524,605,300
2003	26,262,600	8,267,100	204,043,700	17,981,500	281,660,900	538,215,800
2004	29,889,000	8,061,600	217,531,600	17,989,100	290,084,200	563,555,500
2005	30,662,600	8,211,600	231,762,600	21,264,400	300,827,700	592,728,900
2006	29,474,800	8,487,900	246,437,800	22,883,800	312,881,500	620,165,800
2007	31,837,800	8,505,300	270,570,900	25,309,500	327,108,300	663,331,800
2008	33,362,400	5,926,800	291,069,400	19,853,500	332,425,300	682,637,400

Source: The Arizona Department of Economic Security, Division of Child Support Enforcement.

Note: Non-Title IVD collections began in 1999.

Child Support Enforcement Collections (in millions)



Section 7 – Children and Family Services Training Program Annual Report

As identified in A.R.S. § 8-503.01(B), the Children, Youth and Families' Training Program provides programmatic training to the Department's Child Protective Services staff. Below is the annual report of this training.

Training System Description

The Division's Child Welfare Training Institute (CWTI) offers a comprehensive child welfare training program in support of the state's commitment to providing quality services to Arizona's children and families. The CWTI continually reviews the training system to identify opportunities to improve the content, delivery, and extent of initial and ongoing training. These activities are part of an agency-wide effort to continuously improve practice and outcomes of safety, permanency, and well-being for children and families.

Staff development and training opportunities are provided in a variety of ways. The CWTI provides comprehensive Case Manager Core training to newly hired CPS Specialists, Supervisor Core training, Parent Aide Core training, in-service and out-service workshops, specialized trainings, and advanced trainings. The CWTI collaborates with the districts to train on new initiatives, such as the revised CSA-SRA-CP Process that began in early 2007, and is continuing throughout 2008, as well as Team-Decision-Making and other trainings related to the roll-out of the Family-to-Family project statewide. In order to better support new staff in the field, the CWTI continues to provide regular refresher trainings in the CHILDS computerized case management system and will begin refresher trainings in the CSA-SRA-CP Process in Spring 2008. The Division encourages staff to attend community workshops and provides opportunities for the pursuit of Bachelor and Master Degrees to further improve the quality and professionalism of services.

Various audiences benefit from the Department's Staff Development and Training Program, in addition to all of the Division's newly hired and existing staff. Contracted providers, other child serving agencies (such as the Division of Behavioral Health Services' behavioral health providers and case managers from the Navajo and Hopi tribes) are also invited to participate in training offered by the Division. The CWTI provides training in CHILDS for staff from designated provider agencies, Juvenile Probation, and Native American tribes that access this system.

Initial in-service and ongoing child welfare training costs are allocated according to the Department's approved cost allocation plan using the Arizona Random Moment Sampling System (ARMSS). The CWTI Training Administrator reviews the training curriculum prior to training to determine the allocation of training-related time and costs to all benefiting programs. Employees attending training are instructed to code their payroll timesheets to reflect the following for each day in training:

- For initial in-service training, if the subject content of the training is Title IV-E reimbursable, the employee charges the training hours to a payroll reporting code that allocates training costs based upon the IV-E Population Factor and is then reimbursed at 75 percent.
- For ongoing training, if the subject content of the training is Title IV-E reimbursable, the employee charges the training hours to a payroll reporting code that allocates training costs based upon the IV-E Population Factor and is then reimbursed at 50 percent. These costs are reported with the general Title IV-E administrative costs.
- For either initial in-service or ongoing training, if the subject content of the training is not Title IV-E reimbursable, such as training on CPS Investigations, the employee charges the training hours to a payroll reporting code that allocates the training costs to the benefiting program (e.g., state funding, Title IV-B, or other applicable funding).

Case Manager Core Training

Case Manager Core training (initial in-service training for case managers) provides a combination of classroom instruction and field practice experience. Case Manager Core training for newly hired investigative, in-home, and ongoing services CPS Specialists provides learning activities for functions essential to performing their job duties. Case Manager Core includes extensive content on agency policies and procedures as well as existing law; family-centered practice; the use and benefits of the CHILDS, and child welfare best practice. The learning activities span approximately 22 weeks and include a comprehensive combination of classroom instruction and field experience. The curriculum is delivered using many different media, including lecture, discussion, practical activities, video/slides, PowerPoint presentations, role-modeling, mentoring, and other resource materials.

The first component of Case Manager Core requires the trainees to attend six weeks of classroom training. The initial two weeks of the training focuses on foundational child welfare topics. The remainder of the training uses a pragmatic approach to learning by sequentially walking trainees through the life of a CPS case. Topics covered throughout the six weeks of classroom training include: vicarious trauma/self care, cultural diversity, the effects of child abuse and neglect on child development, centralized Child Abuse Hotline (initial receiving and screening of child abuse communications), worker safety, indicators of child abuse and sexual abuse, family dynamics, interviewing, child safety assessment, strengths and risk assessment, behaviorally-based case-planning, CHILDS, legal, behavioral health, child placement, case planning and staffings, permanency planning, kinship care for children, substance abuse, and domestic violence. A focus on family-centered practice is woven throughout all topic areas. During the six week Core training, trainees are given hands-on experience in assessing child safety, developing safety plans and behaviorally-based case plans, holding case staffings, interviewing clients, and testifying in court. Staff from the Division's Comprehensive Medical and Dental Program (CMDP), Arizona's medical/dental plan for foster children, provides training on how to more effectively obtain physical and mental health services for children in out-of-home placement. The Division's Protective Services Review Team (PSRT), the Team that provides due process rights for a parent, guardian or custodian who is alleged to have maltreated their child, provides training on documentation needed to propose substantiation of allegations of child abuse and neglect. Other diverse training staff include trainers from other areas of the

Division, Field Training Supervisors, community providers, foster youth and alumni, and other child welfare stakeholders.

Case Manager Core training includes comprehensive training in CHILDS. CHILDS training includes hands-on experience in a computer lab, where trainees enter case information into an automated training region. The training also includes “Lab” days for trainees to continue practicing their CHILDS skills in the lab. Trainees are also provided ‘stand-alone’ CHILDS classes on all aspects of child welfare (investigations, case management, adoption, etc.). The CHILDS portions of the training, as of January 2008, incorporated all of the automation of the CSA-SRA-CP Process so that trainees have hands-on experience in using that automation.

The Case Manager Core training incorporates a practical, hands-on instructional style through Field Training. Field Training exercises facilitate transfer of learning and provide an opportunity for new case managers to apply the knowledge and skills learned in the classroom. Field Training Supervisors, who assure that the training is methodical and consistent with best practice, coordinate with the CPS Unit Supervisors to provide all Field Training experiences to new CPS Specialists.

Field Training

Field training is organized into three phases, as follows:

- *Pre-core* – The first phase, known as pre-core, occurs between the hire date and the starting date for Case Manager Core training. This two week period is structured to offer the new CPS Specialist an orientation to the agency and to the work of a CPS Specialist. During this first phase, trainees are introduced to CHILDS and to district and Division child welfare policies and procedures. If time allows, new CPS Specialists also shadow seasoned workers to gain an initial context for their work.
- *Field Week* – The second phase of Field Training occurs in the fourth week of the Case Manager Core training. After three weeks in class, trainees have a “Field Week” in which they return to their assigned units. At this time, they have further opportunities to shadow other workers and apply their classroom knowledge to practical situations, through a checklist of experiences and activities.
- *Post-Core* – The third phase of field training begins the day after trainees complete Core training and extends for approximately 15 more weeks. During this post-core phase, training is facilitated by both the Field Training Supervisor and Unit Supervisor to enhance the trainee’s skills. The supervisors continue to use the checklist to identify the accomplishment of various learning objectives and to hold trainees accountable for designated activities and competencies. For each trainee, the Field Training Supervisor maintains an employee file that includes performance expectations, assessments, evaluations, communication logs, and any other documentation that supports and measures the trainee’s progress; that file is transferred to the CPS Unit Supervisor at the end of Core classroom training.

Supervisor Core Training

Supervisor Core training occurs intermittently over 12 months, so that CPS Supervisors can provide supervisory support while completing their Core training. A new group of supervisors begins the training every six months; although newly promoted supervisors can begin their Supervision 411 (“Nuts and Bolts”) training within two months of hire. All supervisors are encouraged to have all of the training requirements completed by the end of a twelve-month period. The Supervisor Core, revised in 2008, includes numerous Department requirements provided by the Arizona Government University and the Department’s Office of Management and Development, and 11 days of coursework offered by the CWTI. The CWTI modules include: Supervision 411, Electronic Information Systems, Legal and Policy for Supervisors, Administrative Supervision, Educational Supervision, and Supportive Supervision. (The latter three classes are considered to be in the Advanced track for supervisors and Assistant Program Managers). Supervision 411 is offered every two months in different areas of the state to facilitate access to the information needed by new supervisors. The Electronic Information Systems module is offered five times per year for the same reason. In the spring of 2008, an additional class was added to the Supervisor Core on Supervision of the CSA-SRA-CP Process.

Parent Aide/Case Aide Core Training

Parent Aide/Case Aide Core training is provided for all contracted community providers who hire Parent Aides and Family Support Specialists, as well as CPS Case Aides. Case Aides are employed by the Division to assist the CPS Specialists in the provision of services to the family such as transportation to visits and appointments, and visitation with children. They also support CPS Specialists by assisting the family in applying for necessary resources and addressing issues related to improving conditions in their homes.

This training provides the knowledge and skills necessary for working within the child welfare system. The training consists of eight classes, one to three days in length, completed over four months. Both community trainers and internal staff development personnel within the Training

Unit and/or field units conduct this training. Trainers use various presentation methods, including lecture, group exercise, role play, PowerPoint, audio, and video. Funding of this training is cost allocated to Title IV-E for state employees and also uses Title IV-B and state general funds.

Non-Core CHILDS Training Requests

These trainings provide instruction on navigating the CHILDS computer based case management system. The trainings are tailored to the needs of the requesting agency. Audiences include contracted direct service providers, representatives from Tribes, juvenile probation and other child welfare stakeholders such as the Foster Care Review Board. These training requests also include on-site assistance and support for CPS employees using the CHILDS system.

Workshops and Advanced Trainings

Workshops and advanced trainings are offered annually for all Division staff. Topics available via these workshops and trainings include mental health, methamphetamines, managing conflict, gangs, working with chemically dependent families, Arizona Families F.I.R.S.T. (Substance Abuse Program), and Independent Living/Arizona’s Young Adult Program.

Division policy requires that staff employed in CPS classifications receive 24 hours of advanced training per year. The Division is currently collaborating with Arizona State University to implement a plan to offer specific advanced training modules to enhance the skills and knowledge of employees at varying levels of experience. Based upon surveys of employees and priorities of the Division, planned Advanced Training topics for the next 1-2 years include, but are not limited to: Behaviorally-based case-planning with families, Advanced Clinical Supervision for CPS Supervisors and Assistant Program Managers, Secondary Trauma for CPS staff and how CPS Supervisors can support their staff who are experiencing secondary trauma, Job Survival Skills, Client Engagement & Assessment for the CPS Professional, Documentation for the CPS Professional, Visitation, Advanced Domestic Violence, Advanced Substance Abuse, and “Knowing Who You Are: Helping Youth in Care Develop Their Racial & Ethnic Identity.” The plan is to offer these training modules periodically statewide to provide continuing education opportunities for all CPS staff, contingent upon training development and delivery resources within the Division’s partnership with the Universities. The Advanced Domestic Violence course has already been offered in two districts and is planned to be offered statewide.

Annual conferences are provided to management and field staff. These conferences include the:

- Division’s Supervisor and Management Forum/Leadership Conference
- Summer Institute, sponsored by the Division of Behavioral Health Services
- Children Need Homes Conference, sponsored by the Arizona Foster Care and Adoption Coalition
- Child Abuse Prevention Conference, sponsored by Prevent Child Abuse of Arizona
- Cultural Diversity Conference, sponsored by the Department
- Inter-tribal Indian Child Welfare Conference, sponsored by the Inter-Tribal Council of Arizona, Inc.
- Family Centered Practice Conference, sponsored by Prevent Child Abuse of Arizona

Specialized Training Programs

In addition to the aforementioned trainings, Childhelp USA offers training to child welfare staff on the following topics: Legislative Advocacy, Neuropsychological and Behavioral Reactions to Abuse, Professional Testimony, and Medical issues, such as head trauma, bruises, burns, abdominal injuries, and fractures. These trainings occur approximately nine times per year and are either a half day or full day in length. Childhelp USA is also partnering with the Division to facilitate advanced Forensic Interviewing training.

The Navajo Nation, the Hopi Nation, and the Administrative Office of the Courts (AOC) have Title IV-E agreements with the Department. Pursuant to these agreements, these custodial agencies are eligible to receive training and reimbursement for training expenses in accordance with federal regulations. It is essential that direct service staff from these agencies participate in case management training in addition to training relevant to Title IV-E administrative activities, foster care maintenance and eligibility activities, and initial in-service training. The Division provides training to those direct staff in accordance with requests from their respective agencies.

The AOC and two counties are currently participating in an IGA with the Department. Pursuant to this agreement, they encourage staff to attend Title IV-E seminars to maintain relevant knowledge and/or expand on their skills already in place. The Juvenile Justice Service System

also encourages staff to participate in training related to case management and program monitoring activities.

The Arizona Foster Care Review Board (FCRB) provides orientation and training for its volunteers and other staff. The volunteers perform case reviews pursuant to the Adoption Assistance and Child Welfare Act and the Adoption and Safe Families Act, and play an important role in promoting effective permanency planning for children in foster care. FCRB training is designed to enable volunteers to actively and competently participate in case reviews and formulate recommendations to the Juvenile Court. Staff and volunteers of the Foster Care Review Board attend trainings on the following topics:

- Family Group Decision Making
- Indian Child Welfare Act
- Advocacy
- Removal Review Process
- Legislative Process
- Dually-adjudicated Children
- Family Drug Court
- Orientation to Child Protective Services
- Family-centered Strength Based Practice
- Medication Nutrient Interactions In Children
- Selected educational programs related to Arizona's abused and neglected children

Assistant Attorney General Trainings

The Division partners with the Arizona Office of the Attorney General to enhance training on legal aspects of child welfare and the intersection of legal issues and social work practice. Assistant Attorneys General provide training to staff and external partners (via Case Manager Core, Supervisor Core, and other specialized trainings). On behalf of the agency, Assistant Attorneys General also provide Title IV-E training to court personnel to increase awareness of Title IV-E policies. To ensure that the attorneys representing the child welfare agency are informed on agency policy, best practices, and relevant social work issues, the Assistant Attorneys General also participate in trainings on current child welfare practices, legal implications, and training issues.

Provider Training

Contracted provider agencies deliver the pre-service training to resource parents. In February 2005, the Department initiated statewide implementation of the Child Welfare Institute's Partnering for Safety and Permanence – Model Approach to Partnerships in Parenting (PS-MAPP) program for the preparation and selection of all new resource (foster and adoptive) parents. PS-MAPP is a 30 hour group session program of ten meetings over ten weeks. Potential resource parents who can not attend a group session can be prepared using the *PS Deciding Together* one-to-one program. PS Deciding Together (PS-DT) is seven face to face consultations with the potential resource parents and the Foster Care Specialist of the contracted provider agency.

The program objectives include five core abilities that families must have to be successful resource parents, which are assessed based upon 12 critical skills. The five core abilities are:

- Meet the developmental and well-being needs of children and youth
- Meet the safety needs of children and youth
- Share parenting with a child's family
- Support concurrent planning
- Meet their own family's needs

Completion of PS-MAPP or PS-DT training is required prior to licensure and prior to placement of a child (aside from court-ordered placements with unlicensed kin or significant others). This pre-service training is also required for kinship parents who are applying for a foster home license. All resource parents who begin the preparation and selection process on or after November 1, 2006 are prepared using either the PS-MAPP group or the PS-DT one-to-one program. Licensed foster parents who were trained and prepared using a pre-service program other than PS-MAPP or PS-DT were required to attend a six hour Mini PS-MAPP session by November of 2007. Mini PS-MAPP is an Arizona curriculum designed to deliver the consistent core philosophies of PS-MAPP, Family to Family, and Family Centered Practice. A brief version of this training is a part of the Case Manager Core so that all new hires are exposed to this important program and its related philosophical shift.

Between October 1, 2006 and November 30, 2007, 867 new foster homes were licensed. All of these new foster parents completed either the PS-MAPP or PS-DT program. As of September 2007, the majority of the over 6,500 licensed foster parents attended a minimum of six hours of in-service training with Mini PS-MAPP as the required in-service training in 2006 and 2007 for all licensed foster parents (9/30/07 Child Welfare Reporting Requirements).

The Department's Office of Licensing, Certification and Regulation (OLCR) monitors to ensure all training requirements have been met prior to licensure, certification, or annual renewal. Foster parents with a regular license must complete at least six hours of in-service training annually. Foster parents with a professional foster home license must complete an additional six hours of in-service training annually, related to the special needs of children they are providing care. An annual "Professional Development Plan" is developed with each foster parent to identify and plan the in-service training the foster parents will attend during the coming year.

PS-MAPP Family Group Meetings and PS-DT Consultations are lead by PS MAPP Certified Leaders. These Leaders are either employees of the foster home agency or foster or adoptive parents. The best practice team of Leaders is an agency employee and a foster or adoptive parent. PS-MAPP Certified Leaders must complete an eight day (48 hour) training session lead by Arizona PS-MAPP Trainers. PS-MAPP Leaders must complete a two day workshop to be certified to complete the PS-DT (1:1 preparation program) with a potential foster or adoptive applicant. There are currently six PS-MAPP Trainers approved to certify Leaders.

Between July 1, 2006 and June 30, 2007, the PS-MAPP Trainers delivered 13 eight-day PS-MAPP Leader sessions and certified 259 new PS-MAPP Leaders. During the same time period, the PS-MAPP Trainers delivered seven PS-DT Workshops and certified 101 PS-DT Leaders.

Between July 1, 2007 and April 11, 2008, the PS-MAPP Trainers delivered eight PS-MAPP eight-day Leader sessions and certified 140 new PS-MAPP Leaders. During the same time

period, the PS-MAPP Trainers delivered four PS-DT Workshops and certified 58 PS-DT Leaders.

Between August 2006 and January 2008, 10 in-service trainings that are part of the PS-MAPP program were delivered by a PS-MAPP Trainer to licensed foster parents and licensing agency staff. These trainings are used as train-the-trainer sessions for the licensing agency staff to then offer to foster parents.

As reported in another section of this report, all licensed foster parents who were not prepared and training under either PS MAPP or PS Deciding Together were required to complete a Mini PS-MAPP session by November of 2007. As of this date, approximately 99.5 percent of foster parents have completed six hour Mini PS-MAPP training.

During 2007, 11 foster parent licensing training workshops were delivered to contracted provider licensing agency staff. To date in 2008, two foster parent licensing training workshops have been delivered to contracted provider licensing agency staff.

The state level six PS-MAPP Trainers in collaboration with staff of the OLCR project the following training schedule for 2009 for foster and adoption agency staff:

- 6 eight-day PS-MAPP Leader Certification Sessions
- 4 two-day PS- DT Workshops
- 24 one-day Foster Family Assessment/Licensing Workshops
- 12 two-day Foster Family Assessment/Licensing Workshops
- 12 one-day Licensing Inquiry/Interviewing Workshops
- 24 sessions (3, 6, 8 hour trainings) In-Service Workshops

Foster and adoption provider agencies will provide to applicants for foster home licensing and adoption certification and currently licensed foster parents and certified adoptive parents the following types of training:

- PS-MAPP 10 meeting family group sessions
- PS-DT (1:1) program
- In-Service training
- Medically Fragile Training

The Division continues to partner with group care provider agencies to enhance opportunities for the short term training of State-licensed child care institution staff who provide care to foster and adopted children. This training enhances the ability of these staff members to provide support and assistance to children in their facilities.

The estimated cost in FY 2009 is \$899,000 for an estimated 7,500 trainees (Includes PS-MAPP/Pre-Service and leadership trainings, as well as Foster/Adoptive In-Service).

University/College Partnerships

The Division provides opportunities for staff development through education and training provided by institutes of higher education. For example:

- Tuition reimbursement is available for job-related courses or degrees at a rate up to the cost of the public universities. One hour of educational leave may also be granted per three hours of class time. In FY 2008, 131 Division staff received tuition reimbursement for job-related courses.
- Up to 10 staff members are selected annually to participate in the Two-Year or Advanced MSW Program provided by Arizona State University (ASU) West Campus. This program enables Division employees to study full-time while being granted educational leave and relieved of regular agency duties. After completion of their studies, staff who attend this program are committed to employment with the Division for the same amount of time that they received an educational leave benefit. Ten staff participated for FY 2008.
- In collaboration with the ASU Child Welfare Training Project, the Division recruits and educates MSW and BSW students to prepare them for a career in child welfare. Stipends are awarded to qualified students who commit to at least two years of employment with CPS following graduation. During FY 2007, 28 students graduated from the MSW stipend program and were hired by CPS. In May 2008, 20 individuals were interviewed for the Fall 2008 MSW-stipend program.

Accomplishments for FY 2008

Highlights for Fiscal Year 2008 include:

- Trained statewide on the revised Child Safety Assessment - Strengths & Risk Assessment – Case-planning process, (CSA-SRA-Case planning process) including training on the tool automated in the Division’s child welfare information system, CHILDS, for a total of 539 trainings, including follow-up and other training opportunities for all staff.
- Provided follow-up training and local support to managers state-wide, to embed use of the new CSA-SRA-Case planning process in child welfare practice, including one-to-one, unit, and section assistance on use of the CSA-SRA-Case planning process.
- Revised Case Manager Core Training to fully incorporate this CSA-SRA-CP process and train new hires in its use.
- Initiated joint participation in monthly meetings between the DCYF Policy Unit, the Practice Improvement Unit, and the Training Unit, to ensure a complete Quality Improvement feedback loop on training needs, policy questions, and current field practice. Through these regular meetings, in-depth discussions are held that clarify policy and practice, identify areas for further exploration, and address systemic issues and staff needs.
- Revised and finalized Documentation Training to incorporate the CSA-SRA-Case planning process requirements, to begin in FY2009.
- Revised the Mental Health and Child Development segment of Case Manager Core Training to include updated information and practices.
- Included an introductory segment for PS-MAPP training into CPS Case Manager Core to familiarize new staff with the training that is provided for resource parents.
- Reviewed and approved 22 different continuing education trainings for credit toward the Child Protective Services (CPS) employees’ 24-hour continuing education requirement. These continuing education hours can be achieved by attending specialized workshops or conferences related to job skills development, such as methamphetamine abuse; they may attend advanced trainings on a variety of topics offered through the CWTI; and they may

also attend in-service trainings provided within their own districts and units, to be reviewed and approved by the CWTI Training Administrator, per policy.

- Initiated required coursework for CPS investigators on Assessing and Engaging Families.
- Acquired the license and initial training for I-Link, a Web-conferencing tool, to explore the feasibility of its use in providing computer-related trainings statewide.
- Began partnership with Cornerstones for Kids, in a workforce development project for the Division, to evaluate recruitment, hiring, and training processes, in an effort to recruit and retain a qualified workforce. The CWTI is an active participant in this project's committees, and will make revisions based on the outcomes of the project's research, discoveries, and implementation plans.
- *Supervision Circles Training* – As a follow-up to the clinical supervision coursework provided during FY 2006, three additional one-day sessions were created for CPS Supervisors, Assistant Program Managers and District Program Managers regarding best practices in group and individual clinical supervision, modeling strengths-based, family-centered practice, and utilization of the parallel process that occurs during supervision to improve outcomes for children and families through support of their child welfare workers. Two of these sessions were provided during FY 2008, and the third session will be provided in August 2008. The concepts from these trainings will be further incorporated into the Supervisor Core training program for the future.
- Initiated the development of more advanced coursework for CPS Supervisors on using these Clinical Supervision Circles to facilitate best practices in both management and social work with families.
- *Refresher trainings in the revised CSA-SRA-Case planning process* – In response to the need, as demonstrated through the case review process, for CPS staff to have a clearer understanding and improved utilization of this revised and expanded process, the CWTI created new refresher trainings in this process. These were begun in late FY 2008, and will be provided on a regular basis state-wide.
- *Methamphetamine Training* – In response to the growth of methamphetamine-involved families served by Arizona CPS, the Division established a Methamphetamine Task Force in FY 2006. The Task Force sponsors a training on for CPS staff and community agencies (public and private). During FY 2007 and 2008, 16 more of these trainings occurred statewide for both staff and interested stakeholders in all counties. Other work by the Methamphetamine Task Force has included creation of laminated Tips for Engaging substance-using families, as well as screening Tips. These are now distributed to all CPS offices and in the Core Training as well.
- *Infant and Toddler Mental Health* – This conference was made available to CPS staff in FY 2007 and FY 2008, and will again be provided in FY 2009.
- *Enhanced Field Training Guidelines and requirements*: In an effort to ensure the quality and consistency of on-the-job training received by new case managers, the CWTI has further revised its Field Training Manual for 2008, to include an enhanced Field Exercise Checklist and related Guidelines for CPS Supervisors, District Field Training Supervisors, and their new trainees. This Manual clarifies further the roles and responsibilities of CPS Unit Supervisors and Field Training Supervisors, and provides an outline of the basic skills that must be covered during the employee's on-the-job training experience. These 2008 changes to the Manual will be distributed and discussed at

District Leadership Meetings in May 2008, and will be incorporated into the Supervisor Core for all future new supervisors.

- The *Supervisor Core training* program, revised in late 2006 to better meet the needs of new CPS Unit Supervisors, has provided more hands-on training relative to the daily job needs and activities of new supervisors, and includes additional training to assist CPS Supervisors in the post-core training of newly hired CPS Specialists. In FY 2008, three Advanced Supervisory modules were added to this training as well. Initial feedback has been extremely positive on all courses at this time.